



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

**75 Hawthorne Street
San Francisco, CA 94105-3901**

November 10, 2008

Billie Blanchard
Project Manager
California Public Utilities Commission
c/o Aspen Environmental Group
235 Montgomery St., Suite 935
San Francisco, CA 94104-3002

Lynda Kastoll
Project Manager
Bureau of Land Management
c/o Aspen Environmental Group
235 Montgomery St., Suite 935
San Francisco, CA 94104-3002

Subject: Final Environmental Impact Report/ Environmental Impact Statement
(FEIR/FEIS) for the Sunrise Powerlink Project (CEQ# 20080420)

Dear Ms. Blanchard and Ms. Kastoll:

The U.S. Environmental Protection Agency (EPA) has reviewed the FEIR/FEIS referenced above. Our review and comments are provided pursuant to the National Environmental Policy Act (NEPA), the Council on Environmental Quality (CEQ) Regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act.

The Sunrise Powerlink Project (SRPL) is a proposal by the San Diego Gas & Electric Company (SDG&E) to construct a 150-mile transmission line from the Imperial Valley to coastal San Diego (Northern Route Alternative – Proposed Project). SDG&E proposes to construct this transmission line to maintain reliability, reduce the cost of energy, and accommodate the delivery of renewable energy.

EPA reviewed the Draft Environmental Impact Report/Environmental Impact Statement (DEIR/EIS) and provided comments to the California Public Utilities Commission (CPUC) and the Bureau of Land Management (BLM) on April 3, 2008. We rated the DEIR/EIS as Environmental Concerns – Insufficient Information (EC-2) (see attached “Summary of EPA Rating System”) due to concerns regarding purpose and need, the disclosure of costs and benefits, and potential adverse impacts to watershed resources, air quality, and the Anza-Borrego Desert State Park. EPA also reviewed the Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) and provided comments to CPUC and BLM on August 25, 2008. Although the RDEIR/SDEIS contained additional information about the La Rumorosa Wind Project, our concerns regarding purpose and need were not fully addressed. Therefore we rated the RDEIR/SDEIS as EC-2.

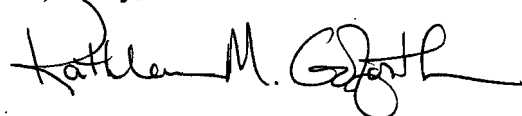
We appreciate the efforts of BLM, CPUC and its consultants to respond to our comments

on both the DEIR/EIS and the RDEIR/SDEIS. We note that the FEIR/FEIS includes additional information on the New In-Area All-Source Generation Alternative, the LEAPS Project Alternatives, and the connection between SRPL and Mexican power generation. We were also pleased to see additional information on the greenhouse gas impacts of SRPL, clarification on whether the CPUC performance standard applies to Mexican power generation, and the inclusion of additional mitigation for impacts from construction activities.

Based on our review of the FEIR/FEIS, EPA continues to have concerns about the basic project objectives, including purpose and need, in light of the La Rumorosa Wind Project. We are also concerned about the lack of information regarding economic costs and benefits of the Proposed Project and associated alternatives. Additionally, our concerns regarding impacts to water resources, air quality, and project conformity with the State Implementation Plan remain. EPA recommends that BLM and CPUC address these issues prior to making a final decision on the Proposed Project. As we noted previously, we continue to encourage BLM and CPUC to consider Environmentally Superior Alternatives over the Proposed Project.

We appreciate the opportunity to review this FEIR/FEIS for the Sunrise Powerlink Project. When the Record of Decision is signed, please send one copy to the address above (mail code: CED-2). If you have any questions, please contact me at (415) 972-3521, or have your staff contact Ann McPherson at (415) 972-3545 or mcpherson.ann@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen M. Goforth". The signature is fluid and cursive, with a large initial "K" and a long horizontal stroke at the end.

Kathleen M. Goforth, Manager
Environmental Review Office (CED-2)

Enclosure: Summary of Rating Definitions